## UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF TEXAS SHERMAN DIVISION

IN RE:

\$ CHAPTER 11

\$ Subchapter V

REMARKABLE HEALTHCARE OF
CARROLLTON LP, ET AL., 11

\$ CASE NO. 24-40605

\$ (Jointly Administered)

\$ DEBTORS.

## **ORDER TO SHOW CAUSE**

On April 18, 2024, KRS Fort Worth, LLC ("KRS") and West Wharton Hospital District ("WWHD") filed an adversary complaint associated with this bankruptcy case, thereby initiating adversary proceeding number 24-4021. The Court conducted an emergency hearing in that proceeding on April 19, 2024. Based upon a review of the adversary complaint and the representations of counsel at the April 19<sup>th</sup> hearing, it appears that the United States Department of Health & Human Services and the Centers for Medicare and Medicaid Services notified the above-styled Debtors of their intent to terminate the Medicare/Medicaid agreement for Remarkable Health Care of Fort Worth on April 18, 2024. It further appears that the Debtors failed to share that notice with their landlord, KRS, or with WWHD, which is seeking an assignment of the Medicare/Medicaid agreement at the Fort Worth facility, or with any other creditors in their bankruptcy cases, or with this Court. It further appears that the Debtors filed a "suggestion of bankruptcy" in the state court proceeding where creditors are seeking a receivership, among other things, with respect to three of the Debtors' facilities, specifically, the Carrollton, Dallas, and Fort

<sup>&</sup>lt;sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Remarkable Healthcare of Carrollton, LP (5960), Remarkable Healthcare of Dallas, LP (3418), Remarkable Healthcare of Fort Worth (1692), Remarkable Healthcare of Seguin, LP (4566), and Remarkable Healthcare, LLC (5142).

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Worth facilities, thereby causing a delay in those proceedings. The Court is informed that the

Debtors filed the "suggestion of bankruptcy" without informing the state court that this Court, in

fact, modified the automatic stay due to the imminent threat to patient care at the Carrollton, Dallas

and Fort Worth facilities. This Court is concerned by what appears to be a lack of candor from the

Debtors as well as the continuing threat to patient care.

Accordingly, a telephonic hearing will be conducted on Wednesday, April 24, 2024 at

01:30 PM (Conference Telephone Number: 972–601–0797; Conference Access Code: 869 139

395#) for the above-styled Debtors to APPEAR AND SHOW CAUSE as to why this Court

should not revoke the Subchapter V status of these Debtors, see, e.g., In re Nat'l Small Bus. All.,

Inc., 642 B.R. 345 (Bankr. D.D.C. 2022), or, alternatively, remove the Debtors from possession

and expand the powers of the Subchapter V trustee, see 11 U.S.C. §§ 105(a), 1183(b), and 1185.

Signed on 04/22/2024

Brenda T. Rhoades

HONORABLE BRENDA T. RHOADES,

CHIEF UNITED STATES BANKRUPTCY JUDGE

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